

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4598-03
Bill No.: Perfected HCS for HB 1456
Subject: Employees - Employers; Employment Security
Type: Original
Date: March 9, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	Unknown	Unknown	Unknown
Total Estimated Net Effect on General Revenue Fund	Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Unemployment Compensation Trust *	Unknown	Unknown	Unknown
Other state	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds *	Unknown	Unknown	Unknown

* expected to exceed \$100,000

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Other	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>All</u> Federal Funds	Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from **Jefferson County** and the **Department of Economic Development, Division of Workforce Development** assumed that a previous version of this proposal would have no fiscal impact on their organizations.

Officials from the **University of Missouri** assumed that a previous version of this proposal would have little or no fiscal impact on their organization.

Officials from the **Office of Administration, Division of Accounting (OA)** assumed that a previous version of this proposal would result in significant savings to the General Revenue Fund and to other state and federal funds.

Oversight assumes this proposal would result in unknown savings to the state and federal funds.

ASSUMPTION (continued)

Officials from the **Department of Labor and Industrial Relations** (DOL) stated the proposal would result in savings to the state and to local governments, and that the overall impact would be increased balances in the Unemployment Compensation Trust Fund.

To arrive at fiscal impact estimates, the Division of Employment Security (DES) utilizes the Benefit Financing Model established by the United States Department of Labor (USDOL) and works with USDOL actuarial staff to make the necessary adjustments to the model to forecast the impact of proposed legislation. Governmental agencies and not-for-profit organizations have the option to reimburse the trust fund in lieu of making quarterly contributions. To more clearly define the impact, the costs are distributed among: (1) cost to local government and (2) cost to the UCTF. Due to the time limitations involved in developing an estimate of the amount of the fiscal impact, DOL was not able to provide an estimate at this time.

The provisions of this legislation will impact all businesses; however, the economic impact on small business alone cannot be determined.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
GENERAL REVENUE FUND			
<u>Cost reduction</u> - Office of Administration Benefit reimbursements	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
OTHER STATE FUNDS			
<u>Cost reduction</u> - Office of Administration Benefit reimbursements	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
FEDERAL FUNDS			
<u>Cost reduction</u> - Office of Administration Benefit reimbursements	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
UNEMPLOYMENT COMPENSATION TRUST FUND			
<u>Revenue reduction</u> - Employment Security Contributions	(Unknown)	(Unknown)	(Unknown)
<u>Cost reduction</u> - Employment Security Benefits	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON UNEMPLOYMENT COMPENSATION TRUST FUND *	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
* net impact expected to exceed \$100,000			

FISCAL IMPACT - Local Government

FY 2007
(10 Mo.)

FY 2008

FY 2009

LOCAL GOVERNMENTS

Cost reduction - local governments
Benefit reimbursements and
contributions

Unknown

Unknown

Unknown

**ESTIMATED NET EFFECT ON
LOCAL GOVERNMENTS**

Unknown

Unknown

Unknown

FISCAL IMPACT - Small Business

This proposal would be expected to have a direct positive fiscal impact to small businesses as a result of the provisions reducing benefits paid and contributions made by employers.

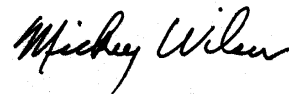
DESCRIPTION

This proposal would change several provisions related to the Missouri Unemployment Compensation program:

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration
Division of Accounting
Department of Economic Development
Division of workforce Development
Jefferson County
University of Missouri



Mickey Wilson, CPA
Director
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